

IN THE CLAIMS:

1. (currently amended) A method for re-marketing collateral securing a group of non-stationary asset-based loans using a computer system configured with a collections model and a re-marketing model, the group of non-stationary asset-based loans included within a distressed loan portfolio, said method comprising the steps of:

categorizing each non-stationary asset-based loan included within the portfolio based on a prior month's payment of the corresponding loan, wherein the non-stationary asset-based loans include at least one of automobile loans, vehicle loans, and credit card loans;

categorizing each loan included within the portfolio based on a contractual delinquency of the corresponding loan;

utilizing the computer and the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, wherein the collections model is based on historical payment information of the borrowers and borrowers, a plurality of collection strategies that may be utilized for collecting payment from the borrowers, non-stationary asset-based loans include at least one of automobile loans, vehicle loans, and credit card loans and a delinquency category assigned to the loan;

initiating at least one of the plurality of collection strategies with respect to the borrowers;

analyzing the borrowers' payment behavior after initiating the at least one collection strategy;

comparing each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower and the delinquency category assigned to the corresponding loan;

incorporating management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for

prompting payment from the borrower associated with the loan included within the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies;

updating the collections model based on the payment comparisons and the management feedback, wherein the updated collections model predicts future cash inflows for each loan included within the portfolio, and wherein the updated collections model is configured to apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months;

deeming a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower's payment behavior comparison and the updated collections model;

pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans;

utilizing the computer and the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets; and

utilizing the computer and the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans.

2. (previously presented) A method according to Claim 1 wherein said step of pursuing repossession of the non-stationary assets used as collateral for the uncollectable loans further comprises the step of categorizing the collateral as one of located or not found.

3. (original) A method according to Claim 2 further comprising the step of categorizing located collateral as one of auctioned, redeemed and placed in inventory.

4. (original) A method according to Claim 2 further comprising the step of engaging an agency to locate the not found collateral.

5. (original) A method according to Claim 2 further comprising the step of writing off the not found collateral.

6. (previously presented) A method according to Claim 1 wherein said step of utilizing the computer and the re-marketing model to predict expenses further comprises the steps of:

planning to store the collateral using the re-marketing model; and

planning for the sale of the collateral using the re-marketing model including a timing of the sale of the collateral.

7. (previously presented) A method according to Claim 6 wherein said step of planning for the sale of the collateral further comprises the step of utilizing the re-marketing model to form a basis for predicting value of the collateral repossessed.

8. (previously presented) A method according to Claim 6 wherein said step of planning for the sale of the collateral further comprises the step of utilizing the re-marketing model to set a timing for repossession, storage and sale of the collateral.

9. (previously presented) A method according to Claim 1 wherein said step of utilizing the computer and the re-marketing model to predict a value further comprises the step of utilizing the re-marketing model to predict sales proceeds based on the collateral deemed for repossession.

10. (original) A method according to Claim 9 further comprising the step of combining predicted sales proceeds based on the collateral and predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

11. (currently amended) A system for re-marketing collateral securing a group of non-stationary asset-based loans, the group of non-stationary asset-based loans included within a distressed loan portfolio, said system comprising:

at least one computer;

a server configured with a collections model and a re-marketing model, said server configured to:

categorize each non-stationary asset-based loan included within the portfolio based on a prior month's payment of the corresponding loan, wherein the non-stationary asset-based loans include at least one of automobile loans, vehicle loans, and credit card loans,

categorize each loan included within the portfolio based on a contractual delinquency of the corresponding loan,

access the collections model to predict a payment behavior for borrowers of non-stationary asset-based loans included within a distressed loan portfolio, the collections model is based on historical payment information of the ~~borrowers and~~ borrowers, a plurality of collection strategies that may be utilized for collecting payment from the borrowers, ~~non-stationary asset-based loans include at least one of automobile loans, vehicle loans, and credit card loans~~ and a delinquency category assigned to the loan,

analyze the borrowers' payment behavior after initiating at least one ~~of~~ the plurality of collection strategies,

compare each of the borrower's payment behavior after initiating the at least one collection strategy to the predicted payment behavior of the same borrower and after the delinquency category has been assigned to the corresponding loan,

incorporate management feedback into expectations of future performance wherein management feedback includes recommending a change in collection strategies used for prompting payment from the borrower associated with the loan included within the portfolio and predicting future payment performance of the borrower based on the recommended change in collection strategies,

update the collections model based on the payment comparisons and the management feedback, wherein the updated collections model predicts future cash inflows for each loan included within the portfolio, and wherein the updated collections model is configured to apply a greater weight to the payment performance of each loan for the current month as compared to the payment performance of each loan for prior months,

deem a number of the loans included within the distressed loan portfolio as uncollectable based on the borrower's payment behavior comparison and the updated collections model,

pursue repossession of the non-stationary assets used as collateral for the uncollectable loans,

access the re-marketing model to predict expenses incurred from repossessing each of the non-stationary assets used as collateral for the uncollectable loans including the expenses associated with locating each of the assets, storing each of the assets, and selling each of the assets, and

access the re-marketing model to predict a value generated from repossessing and selling each of the non-stationary assets used as collateral for the uncollectable loans, and

a network connecting said computer to said server.

12. (original) A system according to Claim 11 wherein said re-marketing model configured to categorize the collateral as one of located or not found.

13. (original) A system according to Claim 12 wherein said re-marketing model configured to categorize located collateral as one of auctioned, redeemed and placed in inventory.

14. (original) A system according to Claim 12 wherein said re-marketing model configured to engage an agency to locate not found collateral.

15. (original) A system according to Claim 12 wherein said re-marketing model configured to write off the not found collateral.

16. (previously presented) A system according to Claim 11 wherein said re-marketing model configured to:

plan for storage of the collateral; and

plan for a sale of the collateral including a timing of the sale of the collateral.

17. (original) A system according to Claim 16 wherein said re-marketing model configured to form a basis for predicting value of the collateral repossessed.

18. (original) A system according to Claim 16 wherein said re-marketing model configured to set a timing for repossession, storage and sale of the collateral.

19. (original) A system according to Claim 11 wherein said re-marketing model configured to predict sales proceeds based on a sale of the collateral deemed for repossession.

20. (original) A system according to Claim 19 wherein said re-marketing model configured to combine predicted sales proceeds based on a sale of the collateral and a predicted cash flow of redeemed loans to predict a total cash flow estimate for a particular month.

21. (canceled)

22. (previously presented) A system according to Claim 11 wherein said network is at least one of a WAN or a LAN.